



BRIAN SANDOVAL
Governor

STATE OF NEVADA
COMMISSION ON MINERAL RESOURCES
DIVISION OF MINERALS
400 W. King Street, Suite 106
Carson City, Nevada 89703
(775) 684-7040 • Fax (775) 684-7052
<http://minerals.state.nv.us/>

Las Vegas Branch:
2030 E. Flamingo Rd.
Suite #220
Las Vegas, Nevada 89119
(702) 486-4343
Fax (702) 486-4345

Administrator

ACTIVITY AND ACHIEVEMENTS
SEPTEMBER 2013

ADMINISTRATION (ALAN)

1. Met with Art Wilson to discuss AML incident at Ludwig and review possibility of deed of trust as collateral for Silver Peak reclamation bond. Sent letter to Jim Lawrence (Administrator – Nevada State Lands) requesting reconveyance of deed of trust due to the fact that the bond is whole (115% funded).
2. Met with our new Oil and Gas Commissioner Arthur Henderson.
3. Met with Mark Kersey (United Resource Holdings Group) to discuss his pending mining permits and bond options.
4. Identified, and reviewed with Mike, agency business items needing attention in the immediate future.
5. Reviewed administrator files and packed up personal items from office.
6. Last day as Administrator was September 20, 2013.

RECLAMATION BOND POOL (MIKE)

1. Worked with Dave Marlow (State Lands) to reconvey a deed of trust for a Carson City parcel no longer needed as collateral for Art Wilson's Silver Peak bond executed in 1991. The bond amount is \$124,017 and the total deposit plus premium and late fees paid to date is \$142,626.
2. Processed a bond refund for Nevgold and communicated with several other bond pool participants attempting to receive bond refunds.
3. Researched bond documents requested by State Lands as part of deed of trust reconveyance for Art Wilson bond.
4. Processed bond reductions for Renaissance (2) and Paradigm Minerals.
5. Researched and contacted new parent company of Black Hawk Exploration for past due premiums. They sent a check and will be working with BLM to submit change of operator form approved and to get obligation released.
6. Processed bond release for Laurion Minerals and Max Resource.
7. Communicated with new owners of Rimfire Minerals (Kiska Metals) and provided them with necessary documents for Change of Operator and reassignment of bond.
8. Researched history on bond for TXAU Investments and found a discrepancy with BLM's spreadsheet for our statewide bond and provided that to Lacy Trapp (BLM) for review.
9. Met with Paul Gianoli and John Torok to discuss bonding options and review details of the bond pool program.
10. Processed bond release for Geoinformatics. Supplied vendor registration information to Walker Lane Gold, Laurion Minerals and Silverthorn Exploration for pending bond refunds. Executed new bond documents with Renaissance.

MINING, LAND AND OTHER ISSUES (MIKE)

1. Alan and I met with new Oil and Gas Commissioner Art Henderson to discuss the agency, its program, personnel and upcoming issues of interest to him.
2. Attended Interstate Mining Compact Commission finance committee conference call.
3. Met with LCB auditors to review their latest test of the AML notification program and discuss findings and recommendations. Continued with additional documentation research as requested.
4. Attended the Nevada Mining Association annual convention at Lake Tahoe.
5. Communicated with Laura Richards (NDOW) regarding future AML hard closure opportunities and partnerships.
6. Spoke with Dave Catalano (NDOW) regarding their agency's helicopter support for two bat gates proposed on Peavine Mountain (USFS).
7. Prepared 2012 mine production numbers with percentage from federally-managed public and private lands.
8. Reviewed and edited CMR minutes from 8/15 and 8/29 CMR meetings.
9. Conducted more AML documentation research as requested by LCB auditor. Discussed their test results and proposed workable solutions to our internal controls for AML notifications.
10. Division of State Lands requested updated research on AML and environmental hazards which may be present on Storey County parcel half-owned by the State and inquired as to current zoning requirements. Met with Dave Marlow (State Lands) and provided hard copies of all research results.
11. Reviewed administrator files with Alan.
12. Reviewed contractor's work status, invoice, and near term plans for AML program.
13. Reviewed Noble's surface casing cement bond log with Lowell.
14. Along with AML staff, met with John Callan, the new BLM AML Lead for Nevada and discussed our AML program, our joint assistance agreement and future plans.
15. Reviewed and edited agency monthly for July and August weeklies.
16. Began Work Programs to increase spending authority for Category 03 (Out-of-State Travel) and Category 04 (In-State Travel) due to increased travel from OGG inspections, Noble's work, and upcoming NAAML, IOGCC and IMCC conferences.
17. Worked on the 2012 Major Mines publication.
18. Lowell and I met with Commissioner Henderson to review the HF program components.
19. Answered general mining exploration questions from Las Vegas Review Journal reporter.
20. Spoke with property owner Coraline Vogt regarding possible unapproved mining activity at the Muddlebury gypsum mine in Pershing County. Followed up with NDEP to ascertain permits or applications associated with the property.
21. Commissioner Henderson, Lowell and I met with Dave Gaskin and Colleen Cripps (NDEP) to discuss elements of a hydraulic fracturing program.
22. Spoke with Jim Thomas (DRI) and arranged meeting with him to review work plans on behalf of Noble Energy.
23. Provided historic mine production statistics to Applied Analytics who is preparing a report for NvMA.
24. Commissioner Henderson and I met with Tom Gallagher (Nevada Water Solutions) to review his potential contract assistance with the promulgation of new regulations.

AML / PUBLIC AWARENESS - NORTH (JOHN)

1. Received more enquiries from claimants by phone and/or e-mail in response to the massive Notice to Secure mailing on July 30th, and responded back by phone or e-mail to them.
2. Performed more land research, and returned correspondence with claimants regarding Securing Notices.
3. Continued to make the appropriate changes to errors found in the database during research instigated from the Securing Notice enquiries by claimants.
4. Compiled and mailed Notification of Hazard(s) Secured letters to claimants who have complied with the notice to secure letters mailed to them.
5. More photos and securing info was added to the database from hazard securings performed by claimants.
6. Attended a Sexual Harassment Prevention course.
7. Helped George shuttle fleet vehicles to various venues in Carson City to receive repairs following the 2013 summer intern season.
8. Performed 5.5 days of AML field visits and securing work in Lyon and Storey Counties.
9. Attended NMA Education Committee meeting – planning meeting for the 2014 Las Vegas teacher workshop as well as other upcoming events.
10. Attended a meeting with the new BLM AML Program Lead, John Callan, along with Mike, Rob, Rachel, and Bill was on conference phone. Discussion of the Nevada AML program from the perspectives of the BLM and NDOM. Items discussed included: closure projects, policies and procedures, and funding.
11. Attended GSN September monthly meeting in Reno.
12. Took and completed the Information Systems Security awareness class.

AML / GIS (RACHEL)

1. Logged two non-hazards in the Mountain City area north of Elko. Found several roads that lead to AML features needing to be inventoried to be inaccessible. Marked this information and updated the data to the AML database.
2. Conducted land research for all sites logged this past summer by interns and found to be on patented claims. Recorded the new owner information and updated the database accordingly.
3. Located several points in the Virginia City area in the NV Points layer that did not correspond to any AML feature in the field. Edited the NV Points layer to reflect the most accurate field data.
4. Received new loggings on USFS land from Ken Maas. Created new hazard ID sheets and updated the database with this new information.
5. Traveled to the Artesia Lake area of Lyon County with Rob in order to assess hazards on Art Wilson claims that had been secured and those that had not. Resolved issues with UTM's and hazard ID numbers for several sites in the area and updated the database accordingly.
6. Received securing information from several claimants. Updated the database and sent thank you letters as needed.
7. Received a phone call from Jason Williams with NDOW regarding newly logged hazards inventoried by NDOW. He is working on assembling a spreadsheet so that new NDOM numbers may be assigned.
8. Received securing information on hazards that had not been logged by NDOM in Churchill County. Assigned new NDOM numbers and added photos and hazard ID sheets to the database.

9. Began working through the securing documentation received from claimants in response to the 7/30/2013 mail-out to make sure information had been updated properly in the database. Changed several records and researched new owners on sites that had since been recorded as unknown.
10. Attended the Education Committee meeting at the Nevada Mining Association with Valerie Kneefel.
11. Continued reviewing all responses received from the AML mail-out. Updated the database with new land status and ownership for those claimants stating hazards were not on their claims. Created a map showing claim boundaries for a claimant questioning where a hazard was in relation to their property boundary.
12. Met with John Callan who is the new AML lead for the BLM. Attended the meeting with Mike, Rob, and John. Discussed data sharing between NDOM and BLM and how we can better work together on future projects.
13. Brian Breiter with EPS located a few hazards in Humboldt County that had been double logged. Located these hazards and deleted the numbers and photos from the database.
14. Updated patent information for claims in the Ludwig area of Lyon County.
15. Attended a meeting with Rob and Jenni Jeffers (NDOW) in order to discuss moving forward on hard closures. Will plan on moving some of these closures forward before the weather changes.
16. Traveled to the Perry Canyon area of Washoe County and surveyed WA-395 with the down-hole camera. No bats were observed. Revisited several sites in the area as well.
17. Per George Bishop: NDOM gave out 80 each of the usual six SWAG items on September 21st at Dayton Valley Days
18. Sent Jenni Jeffers (NDOW- Fallon) maps of AML features that can be closed in the Evening Star area of Pershing County and at the Saint Anthony Mine in Churchill County.
19. Received a report of an unsecured shaft near a motorcycle race route north of Nightingale. Received the coordinates and plotted them to determine that the area has not been investigated by NDOM. From looking at the air photos and topo maps, there are several additional sites in the area. Will plan on visiting this site in the coming weeks in order to investigate the area.
20. Updated the database with information received from Ken Maas (USFS), EPS, and claimants. Performed routine database QA/QC. Added new securing, logging, and revisit photos to the photo archive.
21. Traveled to WA-383 (near Perry Canyon north of Spanish Springs) with personnel from NDOW in order to survey the site for closure.
22. Traveled to the Nevada Quicksilver mine in Pershing County with EPS and Jenni Jeffers in order to measure and exclude hazards slated for closure in the coming weeks.

AML / GIS (ROB)

1. Represented NDOM for an AML incident that happened near Ludwig on the north east side of Smith Valley on September 1st. Lacey Parrot from Mason Valley Fire called John and explained that a 17 year old boy drove his dirt bike into a shaft (LY-0027) and fell 60'. I contacted Lacey Parrot, received the location of the incident, and correlated the claim ownership. With Mike and Alan we contacted Art Wilson the claimant informed him of the accident and correlated a trip out to the site to secure the hazard.
2. Went to the incident site with three Art Wilson employees and secured LY-0027 as well as repaired the fence around LY-0008 (site of fatality on 10/2008). Discussed the

possibility of bringing one of Art's dozers onto the property to start backfilling the accessible hazards this fall

3. Re-researched all hazards ownership status in the area surrounding Art Wilson Co Ludwig claims. Gave Art the most up-to-date hazard information on his claims.
4. Provided Art Wilson with two of the larger "Warning" signs to put on his property to warn people of the hazards.
5. Performed QA/QC and updated the AML database with claimant's responses.
6. Discussed the AML enhancements budget with Mike to plan the fall / winter 2013/2014 NDOM AML hard closures.
7. Went to the Ludwig area (09-01-2013 incident site) with Rachel and revisited the hazards in the area to identify their securing status. Logged 4 hazards, revisited 38 hazards, logged 27 non-hazards.
8. Researched all patented claim ownership status around the Ludwig area. Updated ownership, as well as APN/MS numbers, for all Ludwig area hazards in the AML database.
9. With Debbie, started correlating Greenfield Environmental's hazards on their patented claim block in Lincoln County.
10. Updated the AML hard closure database with recent information. Received price proposals from contractor EPS for securing the remaining hazards in Chukar 2 and CC-0068 hard closure project areas.
11. Had Mike review NDOM's AML budget process with me to better understand where AML's budget stands.
12. Discussed the AML enhancements budget with Rachel to prioritize the fall / winter hard closure projects.
13. Contacted Jenni Jeffers from NDOW to receive updates on her biological surveys and to discuss the plans for hard closures this fall / winter. It resulted in setting up a meeting for September 19th for Jenni to come into NDOM's office and formally discuss the hard closure matters.
14. EPS logged 9 new hazards, 77 non-hazards, and revisited 76 sites in Humboldt County.
15. Attended the NVMA Education Workshop committee meeting in Reno.
16. Held a meeting with Mike, Rachel, John, and John Callan, the new AML state lead for the BLM. Discussed future plans, needs, and best possible ways to share AML information.
17. Attended a BLM conference call between all BLM district AML personnel, as well as, BOR. Discussed progress and updates for the future closure projects.
18. Held a meeting with Rachel and Jenni Jeffers from NDOW and reviewed NDOM's AML hard closure priority list. Discussed financial situations for all sites with closures planned this fall/winter. Planed future field visits to sites that need further information.
19. Held a meeting with Brian from EPS. Discussed his recent field work, as well as, coordinated his future schedule for hard closures in the Chukar and Nevada Quicksilver areas.
20. Updated all Robinson Mining hazards notifications in the AML database. Created an updated map, set up a meeting for September 30th at the Robinson Mine.
21. Researched the proposed hardrock mining tax to better understand the topic during the NAAMLPLP conference.
22. Discussed the Category 26 budget with Debbie for the possibility of purchasing tablets for AML field work.
23. Created a map for NDOW LV of known AML hazards in central Esmeralda County. This will be used by NDOW in reference to Mineral Ridge Gold LLC's proposed expansion.

24. Performed a down-hole camera survey in the Perry Canyon area on WA-0395 with Rachel. Revisited multiple sites and familiarized myself with all hazards to be included in the Pyramid Lake closure process.
25. Finalized all travel plans for the 2013 NAAML P conference in West Virginia.
26. Attended the 2013 NAAML P conference in Daniels, West Virginia. Networked with nation's leading AML personnel including all officers of the NAAML P, Greg Conrad from IMCC, the BLM and NPS AML leads, and many of the states AML representatives. Attended nine different technical sessions discussing a variety of AML topics. Represented Nevada during the annual fall NAAML P business meeting.
27. Created an agenda for fall NDOM staff AML meeting on the progress and future of the program.
28. Prepared data for a meeting with Robinson Mining concerning their AML hazards.
29. Received confirmation from Sue Fox, consulting biologist for Metallic Goldfield, that all hazards on the Goldfield backfill project in 2012 are filled; a total of 295 hazards in Esmeralda County.
30. Replied to claimants responses concerning the July 30th notifications.
31. EPS logged 5 new hazards in Nye County during the week of September 23rd -27th.

AML / PUBLIC AWARENESS - SOUTH (BILL)

1. Met with Carson City staff to discuss auditor findings on the AML program.
2. Conducted AML claim research at the Esmeralda County Courthouse.
3. Completed and passed Sexual Harassment Refresher Course.
4. Updating recent White Pine County AML research.
5. E-mail and phone conversations with contractors hired to secure AML sites for recently notified claimants and property owners.
6. Received one new request for an Eagle Scout service project (#173).
7. Logged in securing information received from claimants in Clark and Lincoln Counties.
8. Prepared and sent an AML project package to Eagle Scout candidate Mason Reid (#173).
9. E-mail and phone outreach to Las Vegas Rock, Aggregate Industries Sloan quarry, PABCO Gypsum and Southern Nevada Liteweight requesting tours for the 2014 Las Vegas teacher workshop.
10. Updated AML database with recent White Pine County claimant research.
11. Updated the teacher workshop mineral and rock kit list with updated information on the samples on-hand in the Carson City and Las Vegas storage units.
12. Attended National Mining Hall of Fame awards banquet and presentation in Denver. The NvMA Education Committee received the 2013 Prazen Award for Excellence in Education. Committee attendees were Joe Riney, Jon Price, Katie Neddenriep (outgoing Committee chair), Patti McClelland (incoming Committee chair), Kathy Freeman and Bill Durbin.
13. Attended (by conference call) NvMA Education Committee meeting. Planning for the 2014 Las Vegas teacher workshop and upcoming events.
14. Accompanied staff from Simplot Silica to CL-1987, an open pit mine near Logandale, Clark County. Crew posted nine warning signs along pit highwalls. Follow-up to recent AML notification letter.
15. Attended (by phone) a meeting with the new BLM AML Program Lead John Callan, Mike, John, Rob and Rachel. Discussion of the Nevada AML program from the BLM and NDOM perspectives, special issues, funding, closure projects, policies and procedures.
16. Completed final preparations for the NAAML P Conference in West Virginia.

17. Attended National Association of Abandoned Mine Lands Programs (NAAML) annual conference in Daniels, West Virginia with Rob Ghiglieri. Participated in Hard Rock Committee meeting, field trips and business meeting.
18. Made a presentation at NAAML conference on Nevada's AML program in the "Program Overview" technical session for approximately 30 session attendees.

GEOHERMAL (LOWELL)

1. Reviewed Ormat Nevada's sundry notice to perform mechanical integrity testing (MIT) on the Steamboat 23-33 injection well. Received UIC approval on procedure. Mike approved.
2. Reviewed US Geothermal's sundry notice to change conductor size and drillhole size in the 58A-33 observation well at San Emidio. Alan approved.
3. Reviewed US Geothermal's sundry notice for a change in the drilling program, surface casing depth, in the 58A-33 observation well at San Emidio. Alan approved.
4. Reviewed ORNI 43 LLC's (Ormat Nevada) sundry notice to change approved Tungsten Mountain 84-22 (permit 1324) drilling program from rotary/core to rotary only. Alan approved.
5. Transferred geothermal well site inspection information to Excel spreadsheet.
6. Reviewed HSS II's sundry notice to reclassify the Tuscarora 57-8 production well to an injection well. Site inspection on September 3rd showed this well was actually being used as an observation well, due to the well not being plumbed in. Received UIC approval. Mike approved.
7. Reviewed Enel Stillwater LLC's sundry notice to change the drilling program for the 68-31 injection well. Changes were related to well bore construction, approved total depth of 2,000 feet remains the same. Mike approved.
8. Reviewed Gradient Resources sundry notice to run an MIT on the 44-21 production well. Gradient wants to convert the well to an injection well. Tracer testing required by UIC. Received UIC approval. Mike approved.
9. Reviewed Nevada Geothermal Power LLC's sundry notice to pull pump in the Blue Mountain 25-14 production well, clean out well bore to total depth, and run 9 5/8" liner. Waiting on BLM approval.
10. Reviewed Brady Power Partners' sundry notice to run a short term injection test on the Brady 15-12 production well. Waiting on BLM approval. UIC has also been contacted for their review of the injection test.
11. Reviewed US Geothermal's sundry notice to extend the approved total depth of the San Emidio 58A-33 observation well from 3,000 to 4,000 feet.
12. Wells drilling: Gradient Resources Patua 38(22-28)-21 ST3; Gradient Resources Patua 14(11)-28 production well; ORNI 43 LLC Tungsten Mountain 84-22 observation well; US Geothermal San Emidio 58A-30 observation well.

OIL AND GAS (LOWELL)

1. The Noble Energy Humboldt M2-M2C-21B well was spud at 11:45pm on Monday, 9/2/2013. I was on location when the well was spud. The well is located approximately 21 miles (as the crow flies) to the east-southeast of Elko, T34N R58E, NE4 NW4 Section 2.
2. Reviewed Makoil's mechanical integrity testing (MIT) sundries on the Trap Spring 13 and 20-X water wells. Sundries were sent to NDOM due to the wells being permitted through NDOM. Procedure had been previously approved my UIC. Alan approved.

3. Witnessed the running, cementing and pressure testing of the surface casing in the Noble Energy M2C-M2-21B well. There were no issues in running the casing. I observed cement returns coming back to the surface. Approximately 60 barrels of cement returned to the surface.
4. Witnessed the running and cementing of the intermediate casing in Noble Energy's M2C-M2-21B well. There were no issues in running the casing. I observed cement returns coming back to the surface. A minimum of 30 barrels excess cement was returned to surface. Also witnessed casing pressure test at the completion of the cementing procedure.
5. Reviewed Western General's Tom Spring 4-34 permit application and drilling program. Permit application had to be corrected due to the BLM APD having a different location. Received correction. The proposed well is located in Nye County, Railroad Valley, T8N R57E SW4 SE4 Section 4. The proposed total depth of the well is 9,780 feet. Received BLM notification of approval. Mike approved.
6. Reviewed Tetuan Resources' Mariagnes 32-30 permit application and drilling program. The well is proposed to be located in Nye County, northern area of Railroad Valley, T15N R57E SW4 NE4 Section 30. The proposed total depth is 4,500 feet. Received BLM notification of approval. Mike approved.
7. Reviewed MTS Energy's information sundry on the Ferguson Spring 7-33 shut-in well, where monthly casing and tubing pressure reports are required by NDOM. Mike approved.
8. Drilling/Completion: Noble Energy Humboldt M2-M2C-21B.

OTHER (LOWELL)

1. Spent entire week traveling to Beowawe, Noble M2-M2C-21B location, Tuscarora, Tomera Ranch, Blackburn, and Trap Spring/Munson Ranch. Well and site, and pipeline (where exposed) inspections were conducted at all locations. Images were taken of all wells inspected. The number of wells inspected are as follows:
 - A. Beowawe: 8 (3 production, 2 injection, and 3 observation)
 - B. Tuscarora: 12 (3 production, 5 injection, and 4 observation)
 - C. Tomera Ranch: 4 (1 producer, 1 shut-in, 2 plugged and abandoned - 2 other recently plugged and abandoned wells could not be located)
 - D. Blackburn: 8 (5 producers, 2 injection, and 1 water well)
 - E. Trap Springs/Munson Ranch: 44 (34 producers, 5 shut-in, 5 water wells)
2. Noble M2-M2C-21B well:
 - A. Verified size, grade, and weight of surface casing.
 - B. Witnessed running, cementing, and pressure testing of surface casing at the Noble M2-M2C-21B well.
 - C. Witnessed BOPE tests at the Noble M2-M2C-21B well.
 - D. Verified size, grade, and weight of intermediate casing.
 - E. Witnessed running, cementing, and pressure testing of intermediate casing at the Noble M2-M2C-21B well
3. Took a look at the Secret Pass area (State Hwy 229), separating the Ruby Mountains and the East Humboldt Range, and the northwestern flank of the Ruby Mountains for possible AML locations. No potential AML sites were seen.
4. Continued to look for possible AML sites in the Secret Pass and northeastern end of the Ruby Mountains. Drove up the Soldier Creek drainage looking for possible sites, none were seen.

5. Spoke with four ranchers concerning possible AML sites in the Secret Pass and northeastern Ruby Mountains region. All four ranchers informed me that they had never seen any old abandoned mine sites up in the mountains. I gave all four ranchers my business card and told them to contact me if they have any issues related to Noble's drilling project. All ranchers were quite happy a representative from NDOM had contacted them. They all told me that so far there are no issues and Noble was operating better than they had expected, especially in repairing the county road after Noble mobed in the drilling rig. They all told me they would contact me if Noble was not cooperating with them in the manner they believe Noble should respond.
6. Met with Mark Hooper, one of the four ranchers mentioned above, at Noble's drill location. Mr. Hooper owns the land Noble Energy is current drilling on. Explained the overall drilling and completion processes to Mr. Hooper. Introduced Mr. Hooper to the appropriate Noble Energy and H&P Drilling Services personnel. Gave Mr. Hooper a brief tour of the site. Mr. Hooper was particularly interested in the casing, primarily its thickness, and seemed to be quite pleased with the surface and intermediate casing he was shown.
7. Mike and I met with Commissioner Henderson to discuss his research of other states' hydraulic fracturing regulations, and how some of the regulations could be utilized, in part or whole, in writing regulations for NDOM. Regulations related to the effects of hydraulic fracturing on the waters of the State of Nevada need to be presented to the LCB in January 2014. Discussed posting chemicals used in hydraulic fracturing on the agency's website. Art obtained the list from Frac Focus. We decided to add a column describing common uses of the chemicals, if the information can be located.